

## Summary - Pension Accounting Results

December 2014	Discount Rate (DR)	Interest Crediting Rate (ICR)	Return on Assets (ROA)	Compensation Increase (CI)	DR - ICR	ROA - DR	DR - CI	ROA - CI
Average	4.06%	3.79%	7.11%	3.76%	0.25%	3.04%	0.35%	3.46%
Low	3.27%	1.10%	4.05%	2.10%	-1.75%	0.30%	-1.93%	1.25%
10%	3.81%	2.65%	6.00%	3.00%	-1.19%	2.00%	-0.65%	2.10%
25%	3.95%	3.00%	6.70%	3.15%	-0.40%	2.62%	-0.12%	2.63%
50%	4.10%	4.00%	7.05%	3.80%	0.12%	3.10%	0.25%	3.50%
75%	4.20%	4.50%	7.75%	4.05%	1.00%	3.60%	0.93%	4.25%
90%	4.30%	5.00%	8.00%	4.50%	1.25%	4.10%	1.30%	5.00%
High	4.50%	6.00%	9.00%	6.20%	2.85%	4.87%	2.04%	5.75%
Count	136	67	134	93	67	133	93	92

December 2015	Discount Rate (DR)	Interest Crediting Rate (ICR)	Return on Assets (ROA)*	Compensation Increase (CI)	DR - ICR	ROA - DR	DR - CI	ROA - CI
Average	4.47%	3.87%	7.01%	3.72%	0.57%	2.54%	0.80%	3.37%
Low	3.52%	1.30%	4.05%	2.00%	-1.40%	-0.02%	-1.30%	1.25%
10%	4.14%	2.85%	6.00%	2.90%	-0.85%	1.38%	-0.20%	1.80%
25%	4.28%	3.25%	6.50%	3.20%	-0.06%	2.15%	0.37%	2.75%
50%	4.49%	4.00%	7.00%	3.80%	0.60%	2.60%	0.65%	3.33%
75%	4.64%	4.50%	7.50%	4.00%	1.30%	3.08%	1.32%	4.13%
90%	4.80%	5.00%	8.00%	4.50%	1.50%	3.56%	1.77%	4.75%
High	5.25%	6.00%	9.00%	6.20%	2.85%	4.40%	2.55%	5.75%
Count	136	67	134	93	67	133	93	92

\*Survey respondents were asked to supply the rates expected to be used in determining pension cost for 2016, which may differ from the rate disclosed with the company's 2015 financial reporting.

## Pension Accounting Results

December 2015	Modified Duration of PBO
Average	12.4
Low	6.7
10%	10.0
25%	10.5
50%	12.0
75%	13.6
90%	16.0
High	20.0
Count	131

Market-Related Value of Assets	% of total
Market Value	49%
Smooth all investment experience	
over 2 years	1%
3 years	5%
4 years	7%
5 years	32%
Smooth only capital gains/losses	
over 3 years	1%
5 years	1%
Smooth experience for a subset of asset classes	
over 3 years	1%
5 years	2%
Other	1%
Count	136

Recognition of Gains/Losses	% of total
Standard 10% corridor (slowest allowable recognition)	84%
Standard 10% corridor (faster recognition)	4%
5% corridor	1%
No corridor	6%
Immediate	4%
Other	1%
Count	137

Method for Determining Dec 2015 Discount Rate	% of total	Avg. discount rate	Range
RATE:Link 10-90	4.4%	4.20%	4.0% - 4.5%
RATE:Link 40-90	25.7%	4.29%	4.0% - 4.6%
RATE:Link 60-90	6.6%	4.34%	4.2% - 4.5%
Average of R:L model results	2.2%	3.99%	3.6% - 4.4%
BOND:Link	51.5%	4.63%	4.1% - 5.3%
Citigroup pension discount curve and cash flow matching	2.9%	4.07%	3.5% - 4.3%
Citigroup above median curve	0.7%	4.05%	
Other competitor's model	4.4%	4.59%	4.3% - 4.9%
Market index/other	1.5%	4.48%	4.4% - 4.6%
Count	136		

Resources Used in Determining 2016 ROA Assumption*	% of total
TW Investment capital market model	9%
TW Expected Return Estimator (successor to Neutral model)	29%
Non-TW model(s) with TW concurrence	14%
Non-TW model(s) without TW concurrence	50%
Surveys of other plan sponsor's practices	9%
Building blocks (not tied to a specific model)	15%
Historical return statistics	12%
Other	6%

\*Most respondents indicated multiple resources.

Expense Provision - Offset from ROA Assumption	Prevalence
Either investment-related or other administrative	28%
Count	109

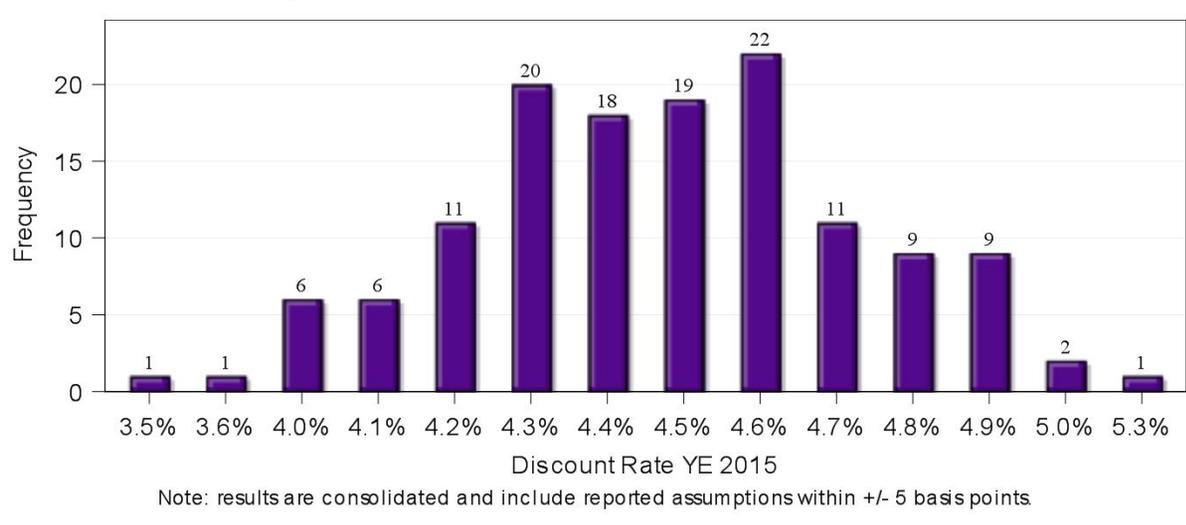
Amount of Expense Provision Offset	Average % of assets
Both investment-related and other administrative	0.45%
Count	26

## Summary - Retiree Welfare Accounting Results

December 2014	Discount Rate (DR)	Initial Trend Rate	Ultimate Trend Rate (Ult)	Years to Ultimate	DR - Ult
Average	3.96%	7.00%	4.93%	6.3	-0.97%
Low	1.88%	5.00%	3.50%	1	-3.12%
10%	3.70%	6.35%	4.50%	4	-1.32%
25%	3.81%	6.67%	5.00%	5	-1.20%
50%	4.00%	7.00%	5.00%	6	-1.00%
75%	4.15%	7.25%	5.00%	8	-0.76%
90%	4.25%	7.75%	5.00%	9	-0.45%
High	4.60%	8.50%	5.10%	16	0.39%
Count	118	109	109	109	109

December 2015	Discount Rate (DR)	Initial Trend Rate	Ultimate Trend Rate (Ult)	Years to Ultimate	DR - Ult
Average	4.32%	6.91%	4.90%	6.9	-0.59%
Low	2.08%	3.90%	2.90%	1	-2.92%
10%	3.93%	6.00%	4.50%	3	-1.10%
25%	4.15%	6.50%	5.00%	5	-0.91%
50%	4.40%	7.00%	5.00%	6	-0.58%
75%	4.58%	7.25%	5.00%	8	-0.33%
90%	4.75%	7.75%	5.00%	10	0.00%
High	5.25%	10.00%	6.00%	50	1.18%
Count	118	109	109	109	109

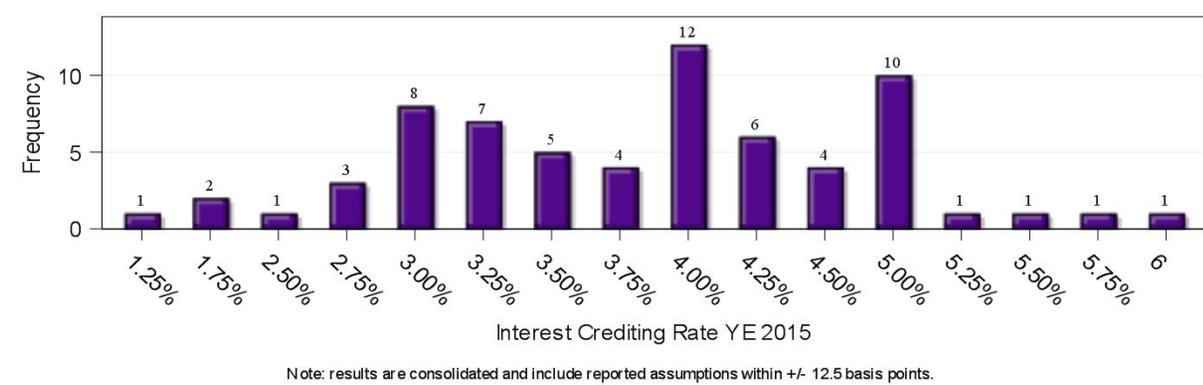
## Pension Accounting - Discount Rate



2014 Average: 4.06%    Median: 4.10%  
 2015 Average: 4.47%    Median: 4.49%

<i>Discount Rate Assumption Changes YE2015 - YE2014 (count = 136)</i>		
	Decrease	Increase
50 or more basis points		22%
40-49 basis points		24%
30-39 basis points		45%
20-29 basis points		9%
10-19 basis points		1%
1-9 basis points		
No change		

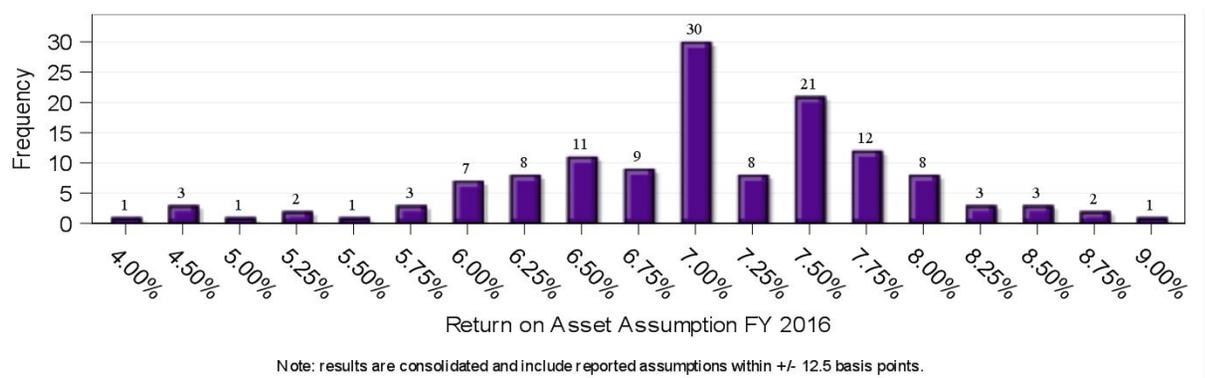
## Pension Accounting - Interest Crediting Rate



2014 Average: 3.79%    Median: 4.00%  
 2015 Average: 3.87%    Median: 4.00%

Interest Crediting Rate Assumption Changes YE2015 - YE2014 (count = 67)		
	Decrease	Increase
50 or more basis points	1%	6%
40-49 basis points		4%
30-39 basis points	1%	7%
20-29 basis points		10%
10-19 basis points	6%	
1-9 basis points		4%
No change	58%	

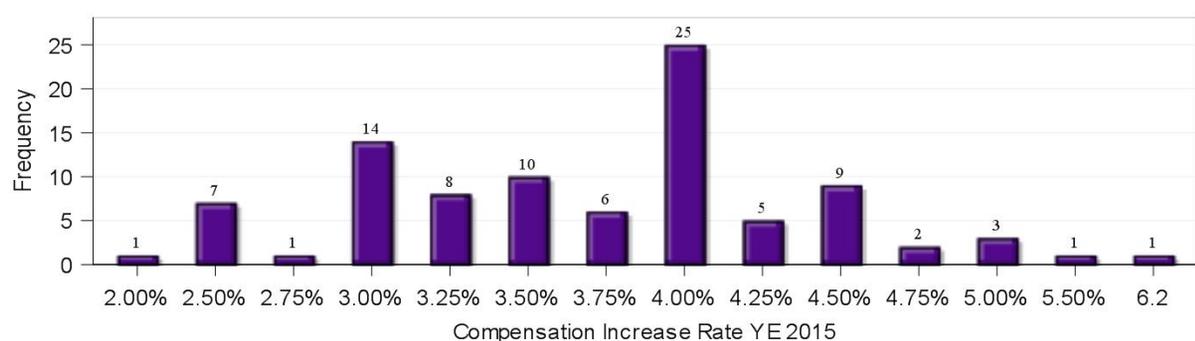
## Pension Accounting - Return on Asset Assumption



2015 Average: 7.11%    Median: 7.05%  
 2016 Average: 7.01%    Median: 7.00%

Return on Asset Assumption Changes    FY2016 - FY2015    (count = 134)		
	Decrease	Increase
50 or more basis points	13%	
40-49 basis points		
30-39 basis points	4%	
20-29 basis points	8%	4%
10-19 basis points	7%	
1-9 basis points	1%	1%
No change	63%	

## Pension Accounting - Compensation Increase Rate



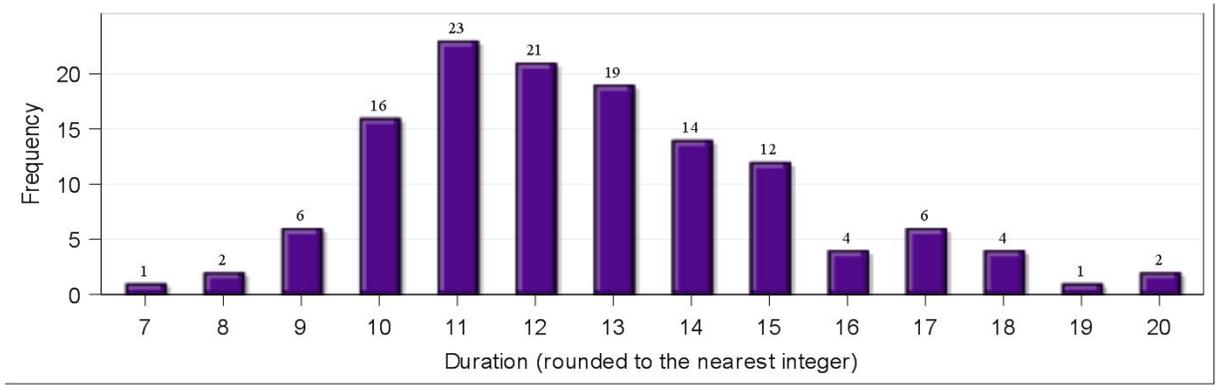
Note: results are consolidated and include reported assumptions within +/- 12.5 basis points.

2014 Average: 3.76%    Median: 3.80%

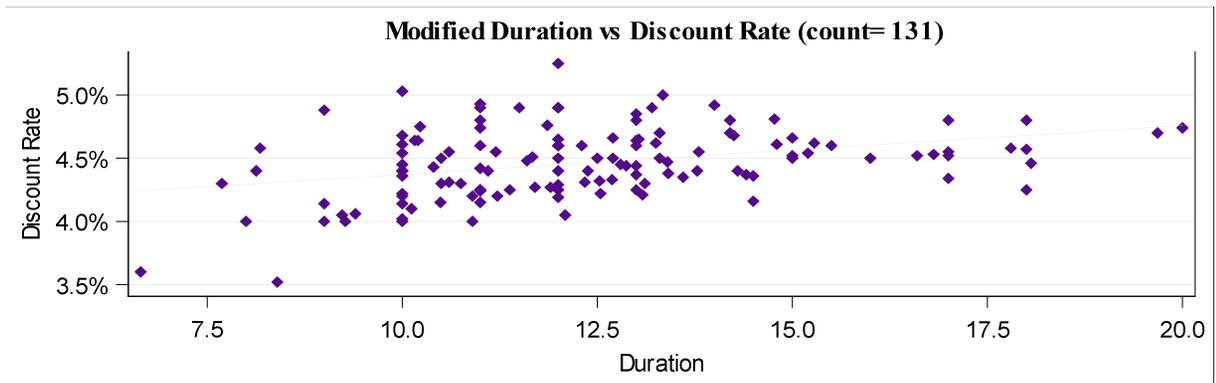
2015 Average: 3.72%    Median: 3.80%

Compensation Increase Rate Changes YE2015 - YE2014 (count = 93)		
	Decrease	Increase
50 or more basis points	5%	1%
40-49 basis points		
30-39 basis points	2%	
20-29 basis points		2%
10-19 basis points	2%	1%
1-9 basis points	2%	2%
No change	82%	

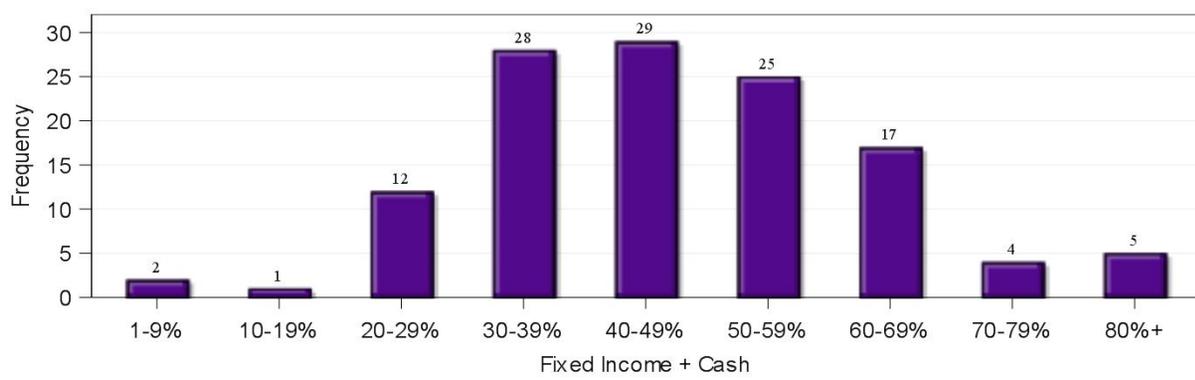
## Pension Accounting - Modified Duration vs. Discount Rate (YE 2015)



2015 Average: 12.38    Median: 12.0



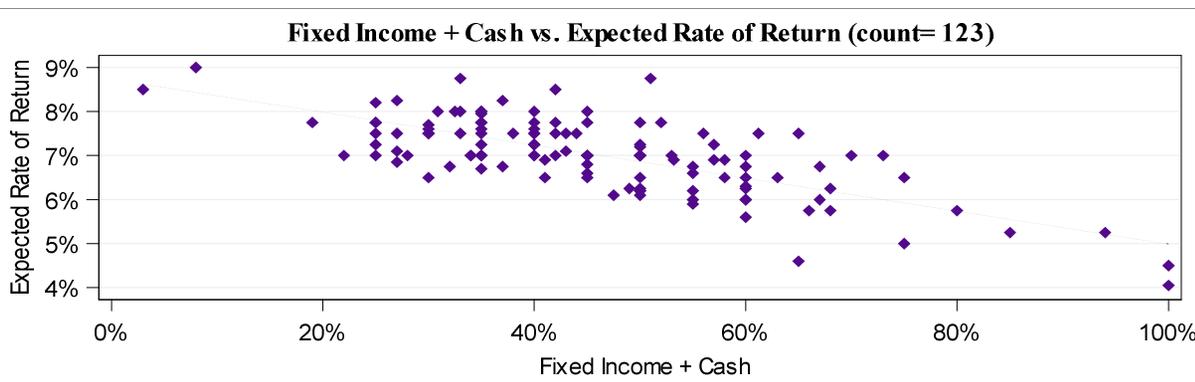
## Pension Accounting - Asset Allocation vs. ROA Assumption (FY 2016)



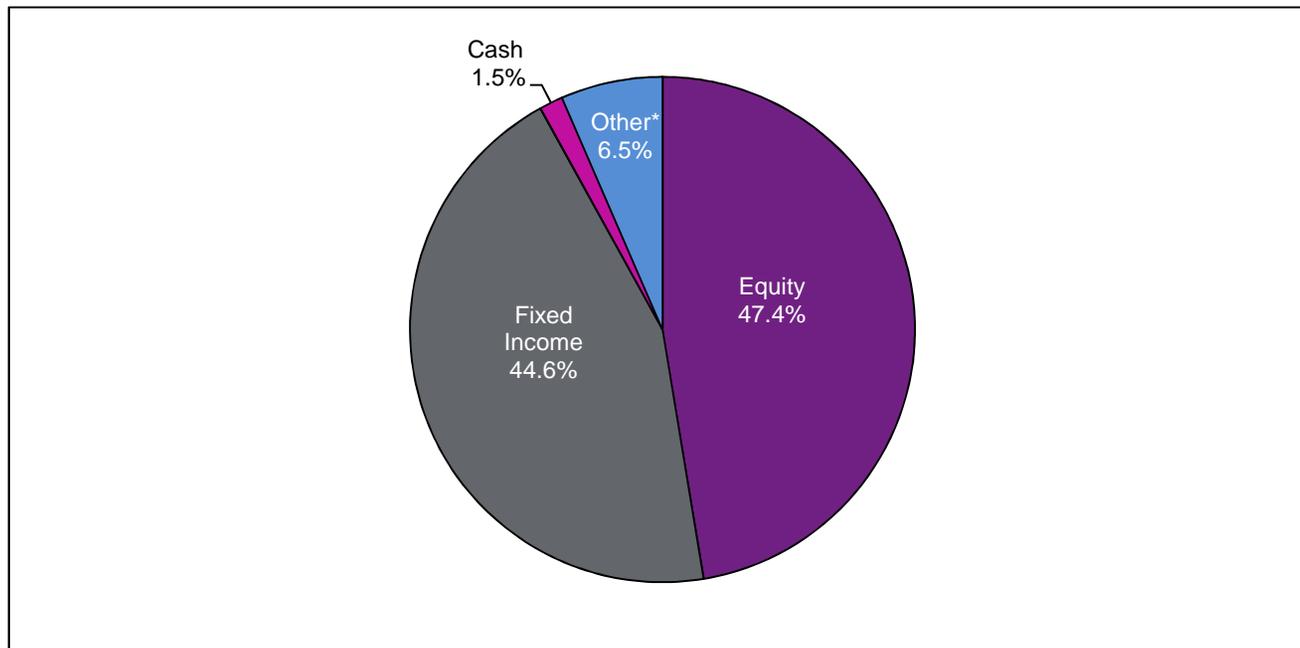
### Average ROA Assumption

8.8%	7.8%	7.4%	7.5%	7.2%	6.9%	6.3%	6.4%	5.0%
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2015 Average Fixed Income + Cash: 46%    Median: 44%



## Asset Allocation



count=124

\*Includes real estate, high yield bonds, international fixed income, hedge funds, commodities and alternative investments

## Pension Accounting - Mortality Assumption (YE 2015)

Mortality Table	Projection Period	Projection Scale						Total
		Scale AA	Scale BB	Scale BB-2D	MP-2014	MP-2015	Other	
RP-2000 No Collar	Projected more than 10 years beyond val date		2	1				3
	Generational	2	4	1				7
	Total	2	6	2				10
RP-2014 Collar Distinct	Projected 6-10 years beyond the valuation date				1			1
	Generational			2	10	1		13
	Total			2	11	1		14
RP-2014 No Collar	Projected 6-10 years beyond the valuation date						2	2
	Generational		1	10	24	4		39
	Total		1	10	24	4	2	41
RP-2015 Collar Distinct	Generational					20		20
RP-2015 No Collar	Generational			1		41		42
IRS Static	Projected 6-10 years beyond the valuation date	1						1
Customized Table	Generational	1		1	3	1	1	7

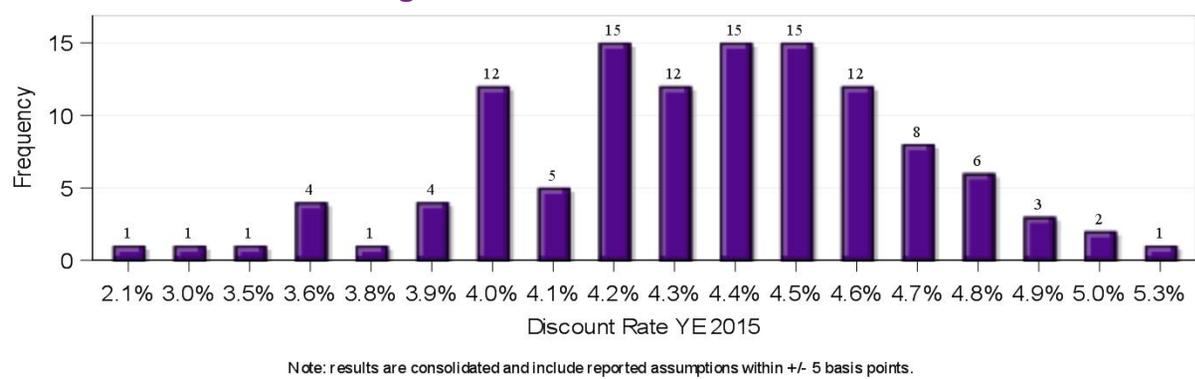
Expected Adjustment to Mortality Table	RP-2000 No Collar	RP-2014 Collar Distinct	RP-2014 No Collar	RP-2015 Collar Distinct	RP-2015 No Collar	IRS Static Table	Customized Table
Increased mortality rates	3	6	9	3	4		3
Decreased mortality rates	1	1	6				
No adjustment	6	7	26	17	38	1	5

Expected Adjustment to Projection Scale	Scale AA	Scale BB	Scale BB-2D	MP 2014	MP 2015	Other
No adjustment	3	6	13	9	52	1
Adjust long-term rate of improvement only		1	2	5	9	
Adjust convergence period only				1		
Adjust both long-term rate of improvement and convergence period			1	20	5	3
Other type of adjustment	1			3	1	

## Pension Accounting - Other Mortality Assumption (YE 2015)

Mortality Table	Assumption Change from FYE 2014	Projection Scale						Total
		Scale AA	Scale BB	Scale BB- 2D	MP-2014	MP-2015	Other	
RP-2000 No Collar	Yes		1					1
	No	2	5	2				9
RP-2014 Collar Distinct	Yes				1	1		2
	No			2	10			12
RP-2014 No Collar	Yes			2	2	4	1	9
	No		1	8	22		1	32
RP-2015 Collar Distinct	Yes					20		20
RP-2015 No Collar	Yes					41		41
	No			1				1
IRS Static	No	1						1
Customized Table	Yes	1				1		2
	No			1	3		2	6

## Retiree Welfare Accounting - Discount Rate

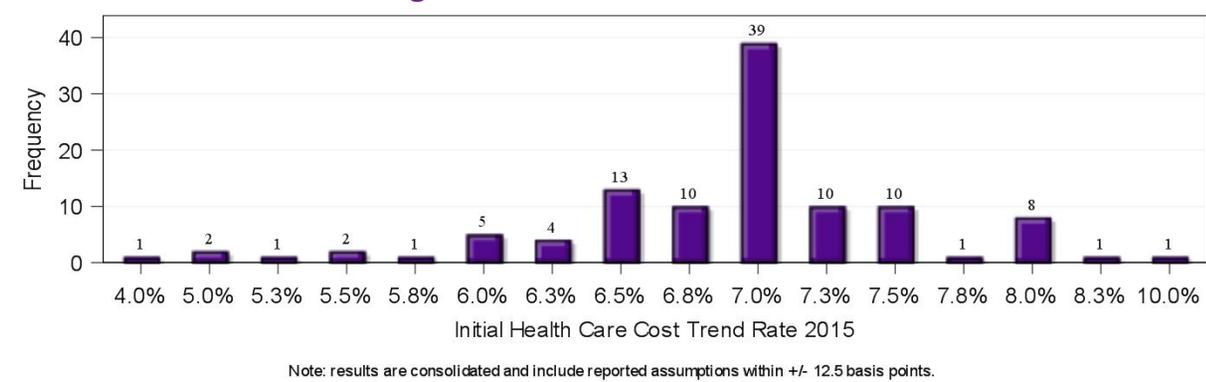


2014 Average: 3.96%    Median: 4.00%

2015 Average: 4.32%    Median: 4.40%

<i>Discount Rate Assumption Changes YE2015 - YE2014 (count = 118)</i>		
	Decrease	Increase
50 or more basis points		10%
40-49 basis points		10%
30-39 basis points		40%
20-29 basis points	1%	28%
10-19 basis points	1%	7%
1-9 basis points	1%	1%
No change		

## Retiree Welfare Accounting - Initial Health Care Trend Rate

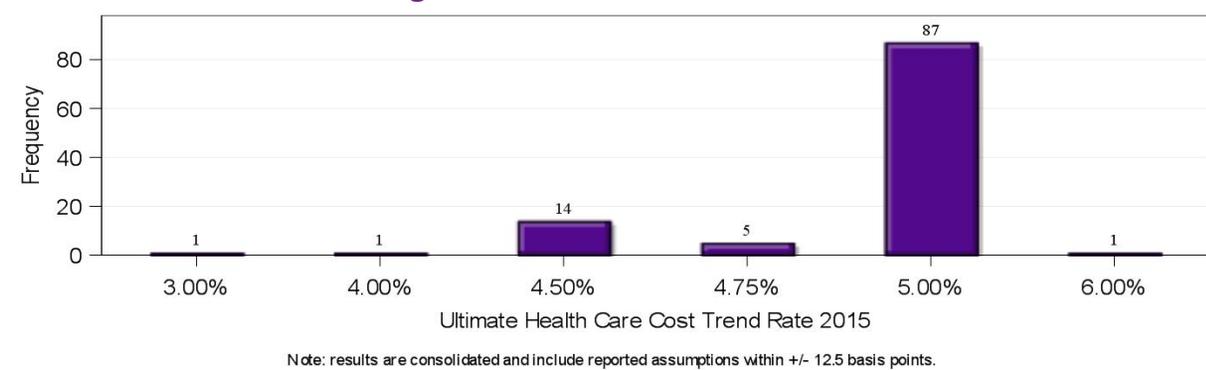


2014 Average: 7.00%    Median: 7.00%

2015 Average: 6.91%    Median: 7.00%

<i>Initial Health Care Cost Trend Rate Changes YE2015 - YE2014 (count = 110)</i>		
	Decrease	Increase
50 or more basis points	22%	11%
40-49 basis points	2%	1%
30-39 basis points	6%	3%
20-29 basis points	16%	3%
10-19 basis points	3%	1%
1-9 basis points		
No change	33%	

## Retiree Welfare Accounting - Ultimate Health Care Trend Rate

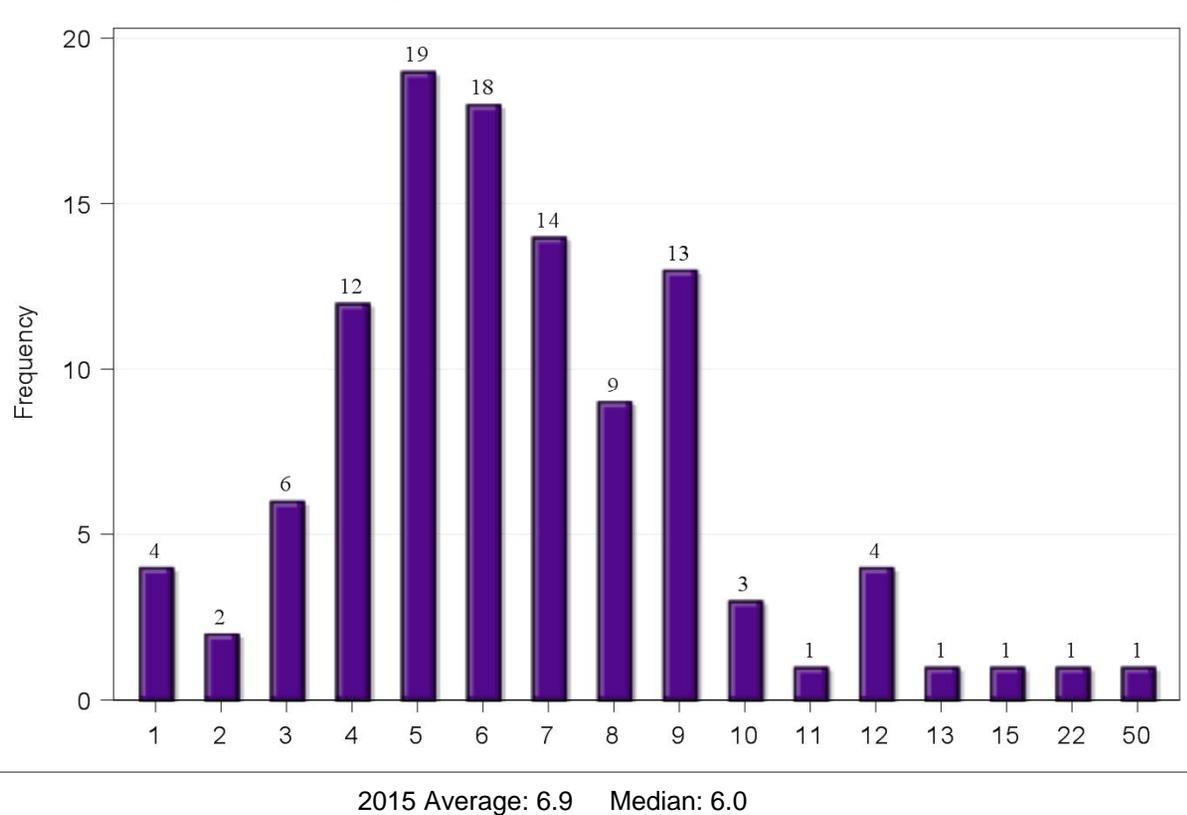


2014 Average: 4.93%    Median: 5.00%

2015 Average: 4.90%    Median: 5.00%

<i>Ultimate Health Care Cost Trend Rate Changes YE2015 - YE2014 (count = 110)</i>		
	Decrease	Increase
50 or more basis points	2%	2%
40-49 basis points		
30-39 basis points	1%	
20-29 basis points	3%	
10-19 basis points		
1-9 basis points		
No change	93%	

## Retiree Welfare Accounting - Years to Ultimate Trend Rate



## Summary - Pension Funding (Plan Year 2015)

<i>Asset Method</i>	Count	% of total
Market Value	20	15%
Smoothed Value	112	85%
Period for smoothing		
0-6 months	3	3%
7-18 months	2	2%
19-24 months	107	96%
Frequency of Asset Values Reflected		
daily/monthly	4	4%
semi-annually	2	2%
annually	106	95%

<i>Interest Rate Basis</i>	Count	% of total
Yield Curve	6	5%
Segment Rates	125	95%
Look-back utilized		
no	26	21%
yes	99	79%

<i>Funding Mortality</i>	Count	% of total
IRS Static	117	89%
IRS Generational	13	10%
Other	2	2%

	<i>Effective Interest Rate</i>	<i>Interest Crediting Rate</i>	<i>Compensation Increase</i>
Average	6.24%	3.96%	3.77%
Low	4.32%	1.15%	2.10%
10%	6.12%	2.80%	3.00%
25%	6.17%	3.20%	3.10%
50%	6.25%	4.00%	3.80%
75%	6.31%	4.50%	4.15%
90%	6.42%	5.10%	4.50%
High	8.25%	6.00%	6.20%
Count	128	65	93